

# BIG MOMENT FOR U-M

**MITCH ALBOM:**  
WOLVERINES' VICTORY  
OVER IRISH A SIGN  
OF GOOD THINGS  
TO COME BLITZ, 1D



**CENTRAL UPSETS MSU**  
BLITZ, 8D

## SCHWARTZ UP CLOSE

BATTLE TO  
RESTORE  
LIONS'  
PRIDE  
BEGINS  
TODAY  
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offer clearer  
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inside womb  
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A 3D ultrasound gives parents detailed, sepia-toned photos of a fetus — unlike the grainy photos from 2D ultrasounds.

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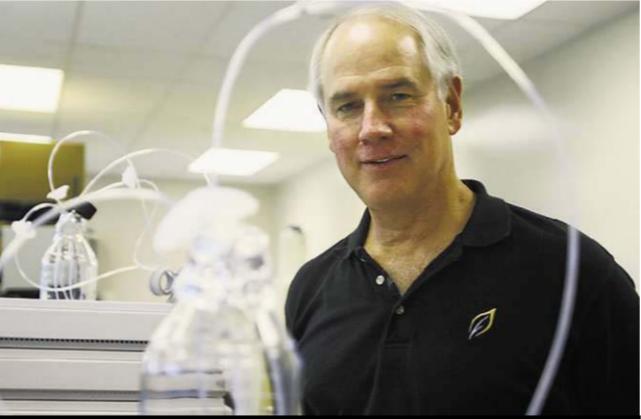
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# Bing's plan to save Detroit

MAYOR SEEKS TO PRIVATIZE SERVICES, SLASH DEPARTMENTS



## FOUR FACES OF AN EMERGING MICHIGAN



TOP LEFT: Diana Mao works for a Chinese auto supplier that sees potential in Michigan. TOP RIGHT: Roger Newton is leading a group of scientists working on a potential billion-dollar drug. BOTTOM LEFT: University of Michigan senior Jonathan Carenden cofounded a start-up company. BOTTOM RIGHT: James Marks turned an old building into a place for creativity. STORIES, 6A

## Residents get creative to turn state around

By KATHERINE YUNG  
FREE PRESS BUSINESS WRITER

As Detroit's automakers strive for a comeback, numerous forces are under way that may eventually generate a new Michigan economy.

Consider just a few:

Tens of thousands of laid-off workers are going back to school to launch new careers outside the auto industry. Incubators to help start-up companies grow are popping up in every major county. And auto suppliers are racing to enter other industries, such as aerospace

and wind energy.

In a sign of the coming changes, the state's economy reached a pivotal milestone in January. That month, more Michiganders worked in health care than in manufacturing for the first time.

"I think we're in the middle of what could be a real big change," said Phil Power, president of the Center for Michigan, a think tank in Ann Arbor. "The future is going to be in start-ups, entrepreneurs and a diversified economy. Michigan's economy will be smaller but better."

Though the auto industry still remains critical to Michigan's economy, serious efforts are being made to grow other industries, particularly alternative energy, film and TV production, homeland security and defense and the life sciences.

This historic transformation is being driven by Michiganders with innovative ideas who see potential in a state undergoing one of its biggest tests. Today, the Free Press introduces you to four of them.

**HARD ECONOMIC TIMES ARE PUSHING MICHIGAN INTO A NEW FUTURE. 6A**

**He says he's prepared for city workers to fight cuts**

By SUZETTE HACKNEY  
FREE PRESS STAFF WRITER

Detroit Mayor Dave Bing says he is taking a strategic approach to turning around Detroit — an approach that will focus on the city running core services such as police, fire and EMS and outsourcing or privatizing others that can be done more efficiently elsewhere.

In an exclusive interview with the Free Press, Bing said he views public safety — which also includes homeland security — and water and sewerage as the key core services a city must deliver. Within the next week to 10 days, he and his team will identify others the city should manage and those it should not, given its shrinking revenues and burgeoning budget deficit.

Bing knows he's in for a fight from city workers, especially in a city and region with a history of union strength.

The word "core" is big for Bing — it's the acronym for what he is calling his administration's mission and vision for making Detroit a better place to live, work and play. CORE stands for:

- Cooperation: Sharing resources between businesses and municipalities across the region.
- Opportunity: Giving Detroiters the skills to pursue employment in growing industries.
- Responsibility: Actively encouraging Detroiters to assume ownership of improving the condition of the city.
- Education: Working to create and maintain a quality school system.

"I didn't come in here as a politician and I won't leave as a politician," Bing said from his 11th-floor office at city hall. "I came in on change, and change is happening."

**BING'S VISION FOR THE CITY. 4A, 5A**



Detroit Mayor Dave Bing says he seeks to save money while making sure citizens get services.

## Dog from Iraq carries soldier's legacy

By JEFF SEIDEL  
FREE PRESS STAFF WRITER

Yelping, jumping, squirming and showing amazing agility despite having only three legs, Laia, a 9-month-old puppy rescued from Iraq, now runs freely outside her Brighton home.

She is a survivor.

Laia survived a war, a broken leg, the death of her owner, a risky convoy across Iraq, and an amputation and wound up in the home of Jerry and Colleen Deaven of Brighton.

She is just a mutt, but her story spans the globe.

It is the story of a guy and his dog. Maj. Steven Hutchison fell in love with the puppy, but at age 60 became the oldest Army soldier to die during this war.

It is the story of a woman, Terri Crisp, who has made 23 trips to Iraq, trying to save the



KIRTHMON F. DOZIER/Detroit Free Press

pets of U.S. soldiers.

It is the story of a grieving mother, Peggy Loving of Romulus, who found a moment of solace when she met Hutchison's beloved dog. When she left Laia, Loving was in tears because holding the puppy felt to her like holding her son.

It is the story of adoption. The Deaven family home has a

During the Iraq war, Maj. Steven Hutchison adopted this dog, Laia. After Hutchison, 60, became the oldest U.S. Army soldier killed in the war, Jerry Deaven brought the puppy home to Brighton.

massive yard, where Laia can run free, and plenty of love.

"We feel like we are taking care of her for Maj. Hutchison, for all the guys in the unit," Colleen Deaven said.

Her husband, who works for the U.S. Department of Homeland Security, agreed.

**MAJOR'S MOM RECOGNIZES PUPPY'S APPEAL TO HER SON. 7A**

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## COVER STORY

# Michigan moving into a new future

## Businesses, residents reinvent themselves to help state step up in economic crisis

**By KATHERINE YUNG**

FREE PRESS BUSINESS WRITER

After decades of relying on one industry for growth and prosperity, Michigan is laying the groundwork for a different kind of future.

From wind farms to movie studios to the Michigan Life Science and Innovation Center in Plymouth Township, new efforts are springing up nearly every month to diversify the state's economy beyond its ailing auto sector.

Just last week, plans for a renewable energy park at Ford Motor Co.'s shuttered Wixom Assembly Plant were officially unveiled.

Spurred by the worst crisis since the Great Depression, many Michigan businesses and residents are reinventing themselves.

During the last two years alone, more than 88,000 unemployed Michiganders have headed back to school to gain new nonautomotive skills under the state's No Worker Left Behind program. Others are going the entrepreneurial route, launching new businesses for the first time.

Likewise, a growing number of the state's auto suppliers are expanding into aerospace, defense, alternative energy and medical devices. About 50 companies are already making parts for wind turbines.

"We are going to make it, but there's going to be some short-term pain," said Rich Pirrotta, chief operating officer of Energy Components Group LLC, an 18-month-old alternative energy supplier that's opening a plant in St. Clair to make parts for the solar and wind industries.

All of this is a huge shift for a state economy once dominated by manufacturing. Today, about 450,000 factory jobs exist in the state compared with 1.2 million in 1978.

"I am encouraged," said Charles Ballard, an economics professor at Michigan State University who has written two books about Michigan's economy. "We will remain a state that has a presence in manufacturing and the auto industry. But we will never return to the kind of lopsided economy we once had."

Even as Michigan stands to lose nearly 1 million jobs this decade — mainly in auto manufacturing — it's stepping up development of nonauto industries.

Already, the state boasts a little more than 500 bioscience companies, and 160 firms are active in the aerospace industry. The number of businesses engaged in the homeland security and defense industries is also rising.

And between 45 and 50 movies and TV shows are expected to film in Michigan this year, with three new production studios in metro Detroit in the pipeline.

At the same time, universities and economic development groups are trying to help Michiganders create and grow their own companies. Several incubators for entrepreneurs — offering inexpensive office space and resources for start-up firms — have opened their doors this year in cities such as Ypsilanti, Troy and Sterling Heights.

If all of this activity makes it seem like Michigan's economy is headed down several different avenues, that's exactly the plan. No longer will the state put all its eggs in the same basket.

Phil Power, president of the Center for Michigan, an Ann Arbor think tank, said he hopes Michigan can return to its entrepreneurial roots.

During a 25-year period at the turn of the 20th Century, the state helped change the world thanks to inventors like Henry Ford, Herbert Dow and W.K. Kellogg.

"We need to do everything we can to make the state attractive to entrepreneurs," Power said.

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**CrowdClarity**

REGINA H. BOONE/Detroit Free Press

Jonathan Carender, 21, a University of Michigan senior and cofounder of CrowdClarity, said: "Ann Arbor is really moving in the right direction."

## Student aims for software success

**By KATHERINE YUNG**

FREE PRESS BUSINESS WRITER

While others worry about finding jobs in Michigan, Jonathan Carender is busy building his own future in the state.

The 21-year-old University of Michigan senior is part of an expanding pool of college students who are forming businesses in Michigan, bucking the traditional route of going to work for a large company after graduation.

Last year, the Dexter resident and his classmate, Dylan Imre, created a software program that helps companies more accurately predict sales of new products.

The program generates sales forecasts using input from all of the employees at a

company, not just a few experts in sales and marketing.

Their company, CrowdClarity, teamed up with Detroit-based Urban Science Inc., a retail consulting firm, to conduct a successful test of the software in a 6-month pilot program earlier this year. The two companies have formed a partnership called AutoClarity.

Two experienced business executives have joined CrowdClarity, and the start-up hopes to land a big deal soon in the auto industry.

While other seniors may be taking it easy, Carender is juggling engineering classes and exams with the demands of getting a company off the ground.

He's one of nearly 40 students working on start-up companies at the university's TechArb, a basement on campus that provides free office space for young entrepreneurs.

"It's more fun to work on your own project till 3 a.m. than to work for an employer," said Carender, who formed a house painting business the summer of his freshman year.

Like many in the state, Carender said he worries there won't be enough investment dollars for start-ups like CrowdClarity. Nevertheless, he sees reason for optimism.

"Ann Arbor is really moving in the right direction. There are a lot of entrepreneurs here," he said.

**Spur Studios**

ANDRE J. JACKSON/Detroit Free Press

## Entrepreneur transforms old building with creativity

**By KATHERINE YUNG**

FREE PRESS BUSINESS WRITER

The two-story office building next to a former screw factory near Eastern Michigan University had been empty for eight years. But suddenly in early August, 14 artists and musicians began moving in, transforming the remains of a lost business dream into new forms of creativity.

The artistic hub at 800 Lowell St. in Ypsilanti, called Spur Studios, is the brainchild of 30-year-old James Marks, who runs a nearby screen printing company, VGKIDS.

Marks, who opened an all-vegan natural food store in Pontiac at the age of 17, is one of a growing number of Michiganders who are finding productive uses for some of the state's many vacant buildings.

Like the Russell Industrial Center in Detroit, Spur offers affordable studios, with monthly rents ranging from \$125 to \$375. The artists and musicians who lease the rooms are free to do whatever they want, including painting the walls and making loud noises anytime.

Marty Flint of Ann Arbor plans to make custom jewelry in the studio he has leased. He had been working out of a barn on Ann Arbor's west side but missed not having other artists around.

"I'm really impressed so far," he said. "I like all my neighbors."

Spur has relied on word of mouth and the Internet to attract notice. So far, about half of the 30 studios have been leased, mostly to young artists and musicians.

"There's an idea that youth and art are really the future," said Marks, who plays the guitar. "I'm hoping we can do it right."

Marks doesn't own Spur's building. But when he visited it in January, he saw potential in the 10,000-square-foot building and teamed up with its owner to market it as studios.

Spur hasn't obtained any public or nonprofit money, and Marks said he aims to keep its operations lean.

"Stay foolish. Stay hungry," he said, borrowing a line from Apple cofounder Steve Jobs.

**Esperion Therapeutics**

## Drug scientist proof 2nd chances happen

**By KATHERINE YUNG**

FREE PRESS BUSINESS WRITER

Tucked away in a laboratory in Plymouth, Roger Newton is leading a small group of scientists working on a potential billion-dollar drug to transform the treatment of heart disease.

Newton, 59 — who helped discover the world's best-selling drug, the cholesterol-reducing Lipitor — is proof that second chances are possible.

Five years ago, the pharmaceutical research veteran made millions when Pfizer Inc. acquired his Ann Arbor start-up firm, Esperion Therapeutics Inc. Esperion's future looked bright since it had discovered some molecules that could lead to new and better ways of reducing cholesterol.

Esperion, however, didn't last long under Pfizer. In January 2007, the pharmaceutical giant announced that Esperion would close, along with Pfizer's research center in Ann Arbor. An expensive bet on a non-Esperion drug didn't pan out, forcing Pfizer to restructure its operations to cut costs.

That could have been the end of the story, but Newton didn't want his dream to die.

After 50 weeks of negotiations, he obtained the licensing rights to an Esperion molecule, ETC-1002, that Pfizer never tried to develop. Esperion was reborn.

"We didn't succeed at getting a product out," Newton said of the first Esperion. "I like to complete what I start."

This time around, things are somewhat easier for Newton and his eight-member team, many of whom are former Esperion employees.

They obtained \$23 million in venture capital before the credit crisis hit and are even working at the same Plymouth office building that Pfizer had outfitted for the first Esperion.

They are betting that ETC-1002 can increase good cholesterol, reduce bad cholesterol and decrease triglycerides. The first clinical trial of the compound is expected to start before year's end.

"One hundred years ago, this was the most innovative place in the world," Newton said of Michigan. "One hundred years later, there's no reason it can't be one of the most innovative places in the world."

**SG Technologies**

## Firm sees potential in the midst of struggles

**By KATHERINE YUNG**

FREE PRESS BUSINESS WRITER

Even as the shakeout in the auto industry forces many companies to exit the business, foreign firms and others are finding new opportunities amid the wreckage.

That's what happened to Chinese auto supplier SG Technologies Inc.

In December, the company pounced on the chance to purchase a former Dana Corp. facility in Farmington Hills, turning it into SG's new U.S. tech center, said Diana Mao, the supplier's vice president of finance, human resources and investment.

Today, SG's eight employees occupy a small portion of the 112,000-square-foot brick building, which boasts a 200-seat auditorium and numerous laboratories for testing vehicle parts.

But SG plans to add more workers, and Mao said the three-story building will eventually provide office space for some of the supplier's strategic partners, as well as other foreign firms.

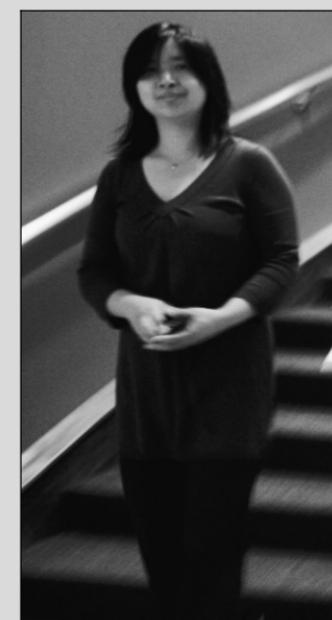
SG's parent company, the SG Automotive Group, makes light-duty axles, gears and other auto parts and is also China's largest bus manufacturer, employing 8,300 people.

SG had been renting an office in Troy but was looking for a facility with laboratories. It sought to establish a research and development center in the United States because of the country's talented workers — and Detroit seemed like the logical choice.

"This area is still very respected. It's the true automotive center," said Mao, SG's first U.S. employee. "We think there is great potential."

SG's engineers in Farmington Hills work on drivelines and other parts projects for both the U.S. and Chinese markets. The building is such a perfect fit for the company's ambitions that SG's engineers got very excited the first time they saw it.

"Risk is also opportunity," Mao said.



REGINA H. BOONE/Detroit Free Press

Diana Mao, vice president of finance, human resources and investment at auto supplier SG Technologies Inc., said: "This area is still ... respected. It's the true automotive center."